

Received & Inspected

FEB 05 2018

January 29, 2018

FCC Mailroom

The Honorable Ajit Pai
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554-0004

Dear Chairman Pai:

We write to inquire about the Federal Communications Commission's (FCC) decision to postpone the rollout of the National Lifeline Eligibility Verifier (National Verifier). We have high expectations for the National Verifier to improve and streamline the Lifeline program. The timing of the Commission's announcement to delay implementation of the Verifier, however, troubles us.

As you are aware, Committee Members from both parties have requested periodic substantive updates on the progress of the National Verifier rollout over this past year. Despite your repeated public commitments to provide such updates, we have yet to receive any.¹ Instead, just five weeks after you testified that the Verifier's progress was on track,² you announced that it was in fact delayed.³

We are concerned that this delay was avoidable and that your inability to provide more accurate testimony may demonstrate a lack of adequate oversight of the process by the Commission. For instance, the Commission has blamed the delay on a lack of understanding of how to comply with the Federal Information Security Modernization Act (FISMA). Yet, Members of this Committee stressed the importance of the Commission following FISMA last summer when the Commission

¹ House Committee on Energy and Commerce, *Hearing on Oversight and Reauthorization of the Federal Communications Commission*, 115th Cong. (July 25, 2017); House Committee on Energy and Commerce, *Hearing on Oversight of the Federal Communications Commission*, 115th Cong. (Oct. 25, 2017).

² *Id.*

³ Federal Communications Commission, *Wireline Competition Bureau Announces Postponement of Initial Launch Date of the National Lifeline Eligibility Verifier*, WC Docket No. 11-42 (Dec. 1, 2018).

alleged it had suffered a DDoS attack.⁴ If the Commission had provided us the substantive updates we requested, the public may have learned of these problems earlier. The Commission's lack of diligence overseeing this important work has raised concerns that other issues still may yet to be identified.


To better understand what led to the Commission's decision to delay the National Verifier rollout and how the Commission plans to oversee the development going forward, I ask that you provide responses to the following requests:

1. Please provide a comprehensive list of proactive efforts you have taken as Chairman, if any, to ensure that the National Verifier is deployed on time in all U.S. states and territories.
2. Please provide a comprehensive list of what proactive efforts FCC staff have taken, if any, to ensure that the National Verifier is deployed on time in all U.S. states and territories.
3. Please provide the Commission's strategic plan to ensure that the National Verifier is deployed on time going forward.
4. Please provide a list of dated benchmarks detailing when the Commission plans to meet legal, practical, or deployment related goals for fully implementing the National Verifier on time in all U.S. states and territories.
5. Please provide the detailed status report on the Commission's efforts to deploy the National Verifier requested in July and again in October.


We appreciate your assistance in this matter, and request that you provide responses by no later than February 8, 2018. Please don't hesitate to contact my office with any questions.

Sincerely,


Bobby L. Rush
Member of Congress


Frank Pallone Jr.
Member of Congress

⁴ Letter from Rep. Frank Pallone, Jr., Ranking Member, House Committee on Energy and Commerce, Rep. Elijah E. Cummings, Ranking Member, House Committee on Oversight and Government Reform, et. al., to Ajit V. Pai, Chairman, Federal Communications Commission, Mignon L. Clyburn, Commissioner, Federal Communications Commission, and Michael O'Rielly, Commissioner, Federal Communications Commission (June 26, 2017).



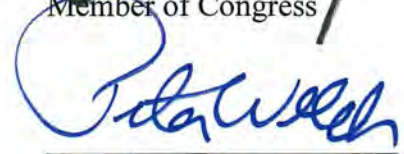
Mike Doyle
Member of Congress



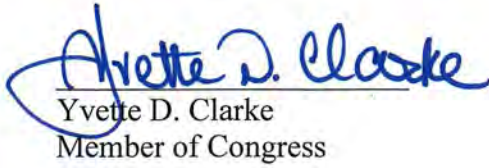
G.K. Butterfield
Member of Congress



Jerry McNerney
Member of Congress



Peter Welch
Member of Congress



Yvette D. Clarke
Member of Congress



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 1, 2018

The Honorable Bobby L. Rush
U.S. House of Representatives
2188 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Rush:

Thank you for your letter regarding the Lifeline program. I am committed to bridging the digital divide, and, like you, I believe the Lifeline program can help do just that. That is why the Commission adopted the *2017 Lifeline Reform Order*, which seeks to focus Lifeline support where it is most needed and incentivize investment in networks that enable 21st Century connectivity for all Americans. The *Order* increased consumer choice by eliminating restrictions that barred Lifeline consumers from changing Lifeline providers for a year and protected consumers by barring low-quality services that offered mobile broadband in theory but failed to do so in practice.

At the same time, I am deeply committed to ensuring that the Commission fulfills its obligation to be a responsible steward of the Universal Service Fund. It is critical to strengthen the Lifeline program's efficacy and integrity by reducing the waste, fraud, and abuse that has run rampant in this program for the better part of a decade. For example, GAO discovered 1,234,929 Lifeline subscribers who apparently were not eligible to participate in the program as well as 6,378 individuals who apparently reenrolled after being reported dead. That limited sample alone constituted more than \$137 million in abuse each year.

I agree with you that the National Lifeline Eligibility Verifier will be one important tool in eliminating this waste, fraud, and abuse. But it is not the only one, nor will it solve all the problems with the program. It simply isn't prudent to sit idly by when hundreds of millions of taxpayer dollars are at stake. That's why the Commission last year sought comment on a wide variety of measures to improve the administration of the Lifeline program—from re-empowering state commissions to police Lifeline carriers to partnering with states to stand up the National Verifier, from improving program audits to adopting a self-enforcing budget. The Lifeline program's goal is—or should be—to empower consumers, not companies. And that will be our lodestar as we move forward to ensure that unscrupulous companies stop abusing this important program.

Turning to the National Verifier itself, as you know, the *2016 Lifeline Reform Order* called for the Universal Service Administrative Company to design and establish a National Verifier, along with the accompanying information technology, in 2017. Despite the fact that Commission staff was able to negotiate information-sharing agreements with six states on time, I learned on November 30, 2017 that USAC's implementation of the National Verifier had failed key security checks. Accordingly, the Wireline Competition Bureau postponed the National Verifier's launch until USAC could fully test the system for compliance with the Federal

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Finally, I have directed our staff to work with our federal partners to facilitate data-sharing agreements for federal programs that qualify consumers for Lifeline. My office worked directly with the U.S. Department of Housing and Urban Development to facilitate the first such arrangement, and Commission staff continue to pursue others.

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3. *Please provide the Commission's strategic plan to ensure that the National Verifier is deployed on time going forward.*

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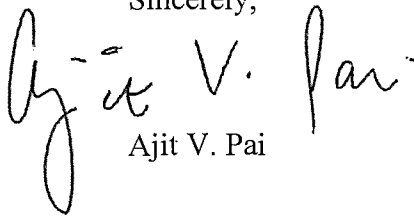
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Attached are USAC's National Verifier Project Updates, issued after USAC's quarterly board meetings, also provided in response to Congresswoman Matsui's letter inquiring about the status of the National Verifier.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Ajit V. Pai". The signature is fluid and cursive, with the first name "Ajit" being the most prominent part.

Ajit V. Pai

Enclosures



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 1, 2018

The Honorable Frank Pallone
U.S. House of Representatives
237 Cannon House Office Building
Washington, D.C. 20515

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Thank you for your letter regarding the Lifeline program. I am committed to bridging the digital divide, and, like you, I believe the Lifeline program can help do just that. That is why the Commission adopted the *2017 Lifeline Reform Order*, which seeks to focus Lifeline support where it is most needed and incentivize investment in networks that enable 21st Century connectivity for all Americans. The *Order* increased consumer choice by eliminating restrictions that barred Lifeline consumers from changing Lifeline providers for a year and protected consumers by barring low-quality services that offered mobile broadband in theory but failed to do so in practice.

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Turning to the National Verifier itself, as you know, the *2016 Lifeline Reform Order* called for the Universal Service Administrative Company to design and establish a National Verifier, along with the accompanying information technology, in 2017. Despite the fact that Commission staff was able to negotiate information-sharing agreements with six states on time, I learned on November 30, 2017 that USAC's implementation of the National Verifier had failed key security checks. Accordingly, the Wireline Competition Bureau postponed the National Verifier's launch until USAC could fully test the system for compliance with the Federal

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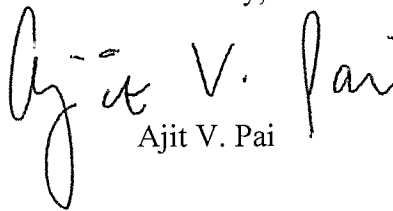
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OFFICE OF
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 1, 2018

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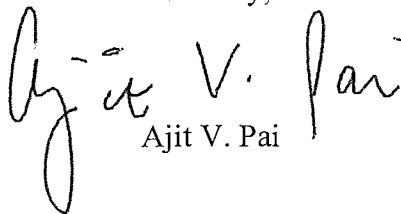
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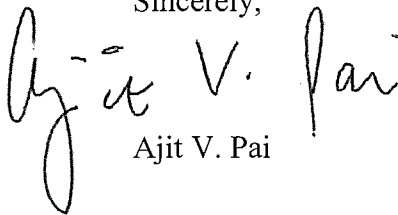
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I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink that reads "Ajit V. Pai". The signature is fluid and cursive, with the first name "Ajit" being the most prominent part.

Ajit V. Pai

Enclosures



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 1, 2018

The Honorable Yvette D. Clarke
U.S. House of Representatives
2058 Rayburn House Office Building
Washington, D.C. 20515

Dear Congresswoman Clarke:

Thank you for your letter regarding the Lifeline program. I am committed to bridging the digital divide, and, like you, I believe the Lifeline program can help do just that. That is why the Commission adopted the *2017 Lifeline Reform Order*, which seeks to focus Lifeline support where it is most needed and incentivize investment in networks that enable 21st Century connectivity for all Americans. The *Order* increased consumer choice by eliminating restrictions that barred Lifeline consumers from changing Lifeline providers for a year and protected consumers by barring low-quality services that offered mobile broadband in theory but failed to do so in practice.

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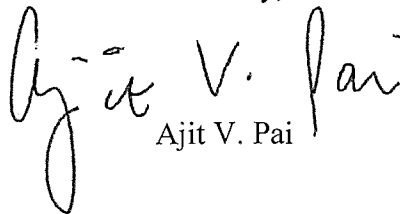
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I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,



Ajit V. Pai

Enclosures



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 1, 2018

The Honorable G.K. Butterfield
U.S. House of Representatives
2080 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Butterfield:

Thank you for your letter regarding the Lifeline program. I am committed to bridging the digital divide, and, like you, I believe the Lifeline program can help do just that. That is why the Commission adopted the *2017 Lifeline Reform Order*, which seeks to focus Lifeline support where it is most needed and incentivize investment in networks that enable 21st Century connectivity for all Americans. The *Order* increased consumer choice by eliminating restrictions that barred Lifeline consumers from changing Lifeline providers for a year and protected consumers by barring low-quality services that offered mobile broadband in theory but failed to do so in practice.

At the same time, I am deeply committed to ensuring that the Commission fulfills its obligation to be a responsible steward of the Universal Service Fund. It is critical to strengthen the Lifeline program's efficacy and integrity by reducing the waste, fraud, and abuse that has run rampant in this program for the better part of a decade. For example, GAO discovered 1,234,929 Lifeline subscribers who apparently were not eligible to participate in the program as well as 6,378 individuals who apparently reenrolled after being reported dead. That limited sample alone constituted more than \$137 million in abuse each year.

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In response to your particular questions:

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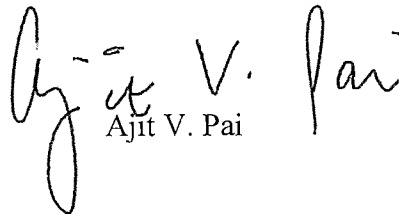
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Enclosures



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 1, 2018

The Honorable Peter Welch
U.S. House of Representatives
2303 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Welch:

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3. *Please provide the Commission's strategic plan to ensure that the National Verifier is deployed on time going forward.*

Commission staff continues to work closely with USAC to ensure timely deployment of the National Verifier. The USAC Board is fully committed to strengthening oversight and delivery of timely, secure, and reliable systems for the administration of the Universal Service Fund. Additional details about plans going forward may be found in USAC's most recent National Verifier Plan submission, which is attached to this letter. The initial launch of the National Verifier will provide valuable lessons for USAC and the Commission, and we plan to use those insights to inform the continued rollout of the system.

4. *Please provide a list of dated benchmarks detailing when the Commission plans to meet legal, practical, or deployment related goals for fully implementing the National Verifier on time in all U.S. states and territories.*

This is the first time that USAC has developed a database on this scale (nationwide and including over 10 million program participants, based on current estimates) and with this level of personally identifying information. Creating the National Verifier involves establishing interfaces with multiple states and federal agencies by first negotiating data-sharing agreements and then creating the electronic interfaces. The process also involves development of a back-end system to manage the complexity of simultaneous calls to multiple interfaces to verify identity and eligibility, and the creation of interactive portals for use by service providers and consumers. USAC has procured vendors to handle certain key aspects of the National Verifier, which itself has taken time and added complexity to the process.

Unfortunately, original estimates of the time associated with the deployment of the National Verifier have not tracked with the actual time associated with this work. The Commission did not complete an assessment of potential challenges before adopting the *2016 Lifeline Reform Order*, so challenges unanticipated by the initial proposed timelines for deployment have arisen and delayed deployment. For example, one of the most significant challenges has involved addressing FISMA compliance. This process has been more time consuming than USAC originally anticipated and forecasted to the FCC, but it is an area of the utmost importance and one that must be fully addressed before deployment of the National Verifier can occur. Thus, while USAC and the FCC have always had a plan for deployment, this plan has shifted due to the complexities encountered during the development stage, causing initial deployment to be delayed. USAC and the Commission are currently working on adjusting the National Verifier

timeline and setting appropriate target dates for deployment, and expect to make an announcement regarding the revised date soon.

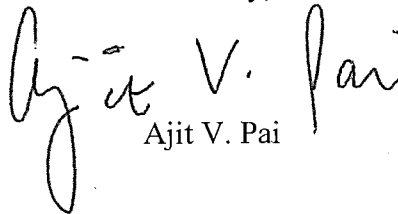
In the meantime, Commission staff and USAC continue to work on the expansion of the National Verifier in additional states to minimize the impact of the initial delay. Going forward, USAC has identified additional states and territories that it believes are appropriate candidates for launch in 2018 and is working with these states and territories to obtain data sharing agreements, where applicable, in addition to actively seeking data sharing agreements with federal agencies to maximize automated enrollment opportunities and cost savings. As USAC and the Commission get closer to finalizing plans to launch the National Verifier in additional states, the Wireline Competition Bureau will make announcements regarding the deployment schedule.

5. *Please provide the detailed status report on the Commission's efforts to deploy the National Verifier requested in July and again in October.*

Attached are USAC's National Verifier Project Updates, issued after USAC's quarterly board meetings, also provided in response to Congresswoman Matsui's letter inquiring about the status of the National Verifier.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,



Ajit V. Pai

Enclosures